98th Congress, 1st Session - - - - - - - - Senate Document No. 98-14

VETO—SENATE JOINT RESOLUTION 149

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RETURNING

WITHOUT MY APPROVAL SENATE JOINT RESOLUTION 149, TO TEMPORARILY SUSPEND THE AUTHORITY OF THE SECRETARY OF AGRICULTURE

AUGUST 23, 1983.—Ordered to be printed

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To the Senate of the United States:

I am returning herewith without my approval S.J. Res. 149, "To temporarily suspend the authority of the Secretary of Agriculture, under the milk price support program, to impose a second 50 cents per hundredweight deduction from the proceeds of sale of all milk marketed commercially in the United States."

Current law allows the Secretary to deduct 50 cents per hundredweight from the proceeds of sale of all milk marketed, if the Commodity Credit Corporation (CCC) purchases of surplus milk are expected to exceed 5 billion pounds. This deduction program became effective April 16, 1983. Current law also authorizes the Secretary to deduct another 50 cents per hundredweight if CCC purchases of surplus milk are expected to exceed 7.5 billion pounds. Dairy farmers who reduce their milk production according to Department of Agriculture guidelines will be entitled to refunds of this second 50 cents.

This second deduction and the refund program are scheduled to go into effect on September 1 and are expected to produce net receipts by CCC of about $60 million during September. Even with both deductions in effect, the Department of Agriculture projects that CCC purchases of milk will still exceed 16 billion pounds for the current marketing year at a net cost to taxpayers of $2.4 billion.

I cannot support S.J. Res. 149, as it would reduce by $60 million the amount of funds available to be used to defray the cost of the milk price support program and would reduce the desired downward effect upon milk production. Without the added downward pressure of the second 50-cent deduction there will be less incentive to decrease milk production.

In addition, if I signed S.J. Res. 149, there would be even greater confusion on the part of milk producers. The first deduction has been the subject of extensive litigation. Since Secretary Block has announced that the second deduction and the refund program will begin on September 1, a delay of one month would only add to the confusion and make planning by producers even more difficult.

Implementation of the deduction has already been delayed considerably. As a result, the cost savings contemplated when this provision was enacted have not materialized, further worsening the Federal deficit.

The annual cost of the dairy price support program is now over $2 billion and will continue to grow unless something is done. We cannot continue to absorb these enormous costs. The Administration's position last year, which the Congress failed to accept, called for increased flexibility to set support levels that would facilitate a more favorable supply and demand balance and reduce Federal outlays. We remain committed to an economically sound dairy industry with adequate supplies of milk and dairy products for consumers, and we will continue to work with the Congress to achieve that end. However, until Congress can act on a mutually acceptable dairy program that accom-

plishes the objectives stated above, we must continue to exercise without further delay what authority we have to deal with our dairy problem.

RONALD REAGAN.

THE WHITE HOUSE, *August 23, 1983.*

S.J. Res. 149

Ninety-eighth Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Monday, the third day of January, one thousand nine hundred and eighty-three

Joint Resolution

To temporarily suspend the authority of the Secretary of Agriculture, under the milk price support program, to impose a second 50 cents per hundredweight deduction from the proceeds of sale of all milk marketed commercially in the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, prior to October 1, 1983, the Secretary of Agriculture may not implement, under the provisions of section 201(d)(3) of the Agricultural Act of 1949, a second deduction of 50 cents per hundredweight from the proceeds of sale of all milk marketed commercially by producers.

Thomas P. O'Neill Jr.

Speaker of the House of Representatives.

Strom Thurmond

~~*Vice President of the United States and*~~
President of the Senate pro tempore

I certify that this Joint Resolution originated in the Senate.

William F. Hildenbrand

Secretary.

By Marilyn Courtot

~~Assistant Secretary~~